

STATE OF CALIFORNIA ENERGY
RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:	}	Docket No. 96-REN-
	}	
Implementing The Renewable Component of	}	
AB 1890	}	
_____	}	

Comments of the Independent Energy Producers Association (I
on
Staff Draft
"Policy Report on AB1890 Renewables Funding"
Dated January 3, 1997

Steven Kelly
Policy Director

January 22, 1997

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Comments of the Independent Energy Producers Association (IEP)
on
Staff Draft
"Policy Report on AB1890 Renewables Funding"
Dated January 3, 1997

The Independent Energy Producers Association (IEP) represents a renewable energy producers in the State of California, including biomass and solar resource providers. Since 1982, IEP has been instrumental in forming a competitive market in California for electric services, particularly in maintaining a diverse resource mix to meet California's stated policy. IEP was integral to the discussions and negotiations culminating in AB1890 renewable component of AB1890. Accordingly, IEP provides the following comments on the Commission's Staff Draft "Policy Report on AB1890 Renewables Funding."

Previously, IEP submitted comments to the California Energy Commission related to "Principles For Implementing The Renewable Components of AB1890" (Comments dated November 4-5, 1996). These principles are as follows:

- Efficient and Effective In Meeting The Intent of AB1890. This order to ensure that the common "vision" of AB1890, itself the product of discussion, negotiation, and compromise, is maintained.
- Simplicity. The market mechanisms associated with the renewable energy program including the allocation and distribution mechanisms associated with the program be simple in their design and development so as to engender some confidence among renewable developers and supply/demand aggregators serving a market no later than January 1, 1998.
- Sustainable. The Commission should recommend to the Legislature mechanisms which have the potential for surviving past the term of the program.
- Comprehensive, Yet Flexible. The Commission should seek compromise in developing a viable and sustaining renewable energy market in light of the operating and financial characteristics of the various renewable resources. require flexibility in implementing any renewable strategy. "One size does not fit all."
- Non-Intrusive Mechanisms and Solutions. The Commission should recommend mechanisms which are non-intrusive, allowing a market for renewable energy to develop.

Consistent with these principles, IEP offers the following comments. These comments are presented in two parts. First, IEP offers General Comments on the Staff Draft. Second, IEP offers specific comments regarding specific aspects of the Staff Draft.